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SUBJECT: NUCLEAR ENERGY BECOMING ACCEPTABLE IN TAIWAN?

REF: A. A. 05 TAIPEI 04246

1B. B. 05 TAIPEI 02601 C. 05 TAIPEI 00846

11. (SBU) SUMMARY. In the wake of gasoline and utility price hikes, nuclear energy has enjoyed rising support in Taiwan. Following this trend, some anti-nuclear proponents have spoken out in favor of continued nuclear energy use. Sustainable development has become the rallying point for those who insist that nuclear is not the only option. Pro-nuclear experts believe that an energetic campaign to convince the public of the safety of nuclear plants is all that stands in the way of a nuclear energy renaissance. END SUMMARY.

TAIWAN AND NUCLEAR POWER: AT A CROSSROADS  
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12. (U) Taiwan's three operating nuclear power plants (NPPs) supply 20 percent of the power needs of Taiwan. The fourth NPP is slated to come online in 2009-10, increasing Taiwan's power generation capacity by about five percent. However, the ruling Democratic Progress Party has long advocated a "non-nuclear homeland" and they have called for the early decommissioning of all four plants. They have claimed that nuclear power is inherently unsafe. They have long argued that nuclear power plants are subject to disastrous accidents (a la Three Mile Island or Chernobyl) especially in an earthquake prone Taiwan. They have also contended that Taiwan did not have a means of safely disposing of the low level radio-active waste material (LLRW) and high level radioactive waste (spent fuel) they generate. That argument has lost steam due to the good safety record of the NPPs and efforts underway to build safe long-term repositories for its LLRW (spent fuel continues to be stored on site at the NPPs). Moreover, increasing gas prices and utility costs are forcing policy makers to rethink the non-nuclear strategy, as evidenced by the public statements of prominent scientists and politicians.

DPP - RETHINKING NUCLEAR POWER?  
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13. (U) Coming on the heels of a NT\$ 3.00 gas price increase in the last two months, past anti-nuclear supporters, such as Academia Sinica President Lee Yuan-tseh, called for completion of the 4th nuclear power plant and continued use of nuclear power in Taiwan for at least 50 years. At an environmental conference held in April, Lee said

Taiwan will have to rely on nuclear power if clean air and sustainable development issues are important concerns of economic policy. Press reports that during a DPP internal meeting Vice-President Annette Lu also commented that nuclear energy was being viewed as an environmentally-friendly energy source and asked that experts examine the possibilities of nuclear energy in order to meet the challenges posed by the global energy crisis. Her comments were in response to Lee's earlier statement on nuclear energy.

#### REDUCING NUCLEAR DEPENDENCE THROUGH SUSTAINABLE DEVELOPMENT

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14. (SBU) The anti-nuclear camp is no longer focusing only on safety issues as before but has turned its attention to sustainable development. AIT spoke with Yeh Junn-Rong, a long time anti-nuclear activist and former minister without portfolio, who is now a professor of environmental law at National Taiwan University. Yeh said that nuclear power is not only a technical issue (of nuclear safety) but has become a political issue (involving energy policy) in Taiwan. The anti-nuclear forces in Taiwan were no longer focusing on the technicalities of waste disposal but on sustainable development. They viewed continued reliance on nuclear power as indefinitely postponing their ultimate goal of turning Taiwan into a sustainable economy by practicing energy efficiency, conservation, reducing wasteful practices and educating the public. As long as nuclear power remains viable (and cheap), there would be no incentives to encourage Taiwan firms to invest in and develop sustainable technologies such as wind, solar and geothermal power. Yeh said that rising utility costs could force the public and government to look at alternative energy and conservation. Yeh remains committed to the "non-nuclear homeland" concept. (Note. Taiwan, while not a signatory to the Kyoto Protocol has undertaken steps to reduce CO2 emissions by requiring industries to use the least polluting equipment available. It is also looking at supplementing its fossil fuel needs through biomass fuels production--not a practical pursuit given Taiwan's limited agricultural land and resources. End note.)

#### THE VIEW FROM EPA; NUCLEAR POWER NEEDS REFERENDUM

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15. (SBU) EPA administrator Chang Guo-long, a long-time opponent of nuclear power, told AIT/T the public is not really concerned where the power comes from as long as it was there and affordable (ref B). However public opinion about the future of nuclear power in Taiwan is an issue that has become so politicized that he felt only a public referendum could move it forward. Chang pointed out that any plans to extend the life of the nuclear plants beyond their original operational lifetime would run into the Basic Environmental Law section 23 where it is clearly stated that Taiwan is to become a nuclear free homeland. Chang, like Yeh also believes in a sustainable Taiwan and thinks that keeping electricity and water costs low only prolongs the illusion of cheap energy in Taiwan. (Note: electricity costs in Taiwan have not been raised for two decades. This has been part of a government policy that favors industry in order to promote exports by keeping production costs low. The average household consumer has also benefited from this system as only heavy users are charged on a sliding scale. AIT does not believe this policy approach has encouraged conservation or provided incentives to develop alternative energy sources. End note.)

#### AEC -- CONFIDENT OF NUCLEAR POWER'S VIABILITY

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16. (SBU) Contrary to the thinking of anti-nuclear advocates, who see Nuclear power as transitory, Minister Ouyang Min-sheng of the Atomic Energy Commission (AEC) was supremely confident of the future of nuclear power. At a dinner in April for a visiting delegation from the U.S. Nuclear Regulatory Commission (NRC), Ouyang told AIT that he was not

worried about the future of nuclear power and that funding for the fourth nuclear power plant was certain. He said that as oil prices rose around the world, the only viable energy substitute was nuclear power. Previously, only U235 material could be used for fuel; there is now potential, he said, to use spent fuel (U238) as fuel, opening new possibilities for growth. He said that Taiwan's entire nuclear power regulatory and research structure (AEC, INER and research organizations) would remain intact given the growing importance and support for nuclear power in Taiwan (ref B) but he acknowledged that much work remained to convince a skeptical public about the benefits and safety of nuclear energy. In May, Ouyang reiterated his optimism to AIT Econ Chief, assuring us that funding would be available to complete 4 NPP and put it into operation. He was confident that Taiwan would also solve its issue of storage for LLRW, noting that counties selected as potential sites for the LLRW storage facility would be given an incentive package in terms of jobs and economic development that would be very attractive to county authorities and residents alike. Ouyang assured AIT that the DPP has come to a quiet internal decision to support continued use of nuclear power. He added that he would remain in his position until 2008 when he plans to retire.

17. (U) COMMENT. The future of nuclear power in Taiwan looks more promising than it did a year or two ago. The 4th NPP will most likely be completed and the three currently operating plants may be re-licensed to extend their operating lifetime. Anti-nuclear groups, however, will continue to advocate for sustainable development and use of alternative energy sources instead of nuclear power. Energy analysts in Taipei believe that relying on alternative energy sources, which now contribute a miniscule two percent of Taiwan's energy power generation capacity, is unrealistic. In order for Taiwan to fulfil its commitment to the Kyoto Protocol on reduction of CO2 emissions, the authorities appear ready to fully exploit the nuclear power currently on tap and hope that in the long run alternative energy sources can gradually displace nuclear power (ref C).  
END COMMENT.

KEEGAN